



7710-12

POSTAL SERVICE

39 CFR Part 111

Address Quality Census Measurement and Assessment Process

AGENCY: Postal Service™.

ACTION: Supplemental notice of proposed rulemaking.

SUMMARY: The Postal Service is revising its pending proposal to amend *Mailing Standards of the United States Postal Service*, Domestic Mail Manual (DMM®), to include a newly proposed measurement and assessment procedure for evaluating address quality for mailers who enter eligible letter- and flat-size pieces of First-Class Mail® (FCM) and Standard Mail® that meet the requirements for Basic or Full-Service mailings.

DATES: Submit comments on or before [INSERT DATE 30 DAYS FROM DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

ADDRESSES: Mail or deliver written comments to the manager, Product Classification, U.S. Postal Service, 475 L'Enfant Plaza SW, Room 4446, Washington, DC 20260-5015. If sending comments by email, include the name and address of the commenter and send to *ProductClassification@usps.gov*, with a subject line of "Address Quality Census Measurement and Assessment Process." Faxed comments are not accepted.

You may inspect and photocopy all written comments, by appointment only, at USPS® Headquarters Library, 475 L'Enfant Plaza SW, 11th Floor North, Washington, DC, 20260. These records are available for review on Monday through Friday, 9 am - 4 pm, by calling 202-268-2906.

FOR FURTHER INFORMATION CONTACT: Heather Dyer, USPS Mail Entry,
Phone: (207) 482-7217, email: *heather.l.dyer@usps.gov*.

SUPPLEMENTARY INFORMATION: On December 23, 2014, the Postal Service published a notice of proposed rulemaking (79 FR 76930-76931) to add a process for measuring address quality.

From that proposed rule, the mailing industry provided many insightful and valuable comments (outlined later in this document) to the Postal Service and requested that a revised proposed rule be published. Therefore, we are renaming and revising our original proposal, and publishing it with a request for additional comments. This proposed rulemaking is subject to both Postal Service management and Postal Regulatory Commission (PRC) approvals.

The Postal Service continues to look for opportunities to work with mailers to improve address quality and reduce undeliverable-as-addressed (UAA) mail. We have developed a newly proposed procedure, the Address Quality Census Measurement and Assessment Process, to measure address quality pertaining to move-related changes. This proposed process will allow the Postal Service to provide valuable feedback to mailers who enter eligible letter- and flat-size pieces of FCM and Standard Mail that meet the requirements for Basic or Full-Service mailings.

The Address Quality Census Measurement and Assessment Process will utilize a scorecard for mailers that conveys information on address hygiene as well as Move Update quality. The scorecard provides mailers with change-of-address (COA) data as well as details about mailpieces that are UAA.

Presently, one of the benefits of the Full-Service Intelligent Mail® program is free Address Change Service (ACS™) for mailpieces prepared in accordance with Full-Service requirements. In order to further encourage the adoption of Full-Service and to increase the number of mailers that receive address quality information, the Postal Service is proposing to extend free ACS to mailers who enter qualifying Basic automation and non-automation mailpieces that meet the criteria of the Address Quality Census Measurement and Assessment Process and to mailers that meet a Full-Service threshold of 95 percent along with other requirements, which are outlined later in this document.

Today, some mailers who enter Periodicals could potentially be charged for manual address correction notices on mailpieces using a Full-Service ACS Service Type Identifier (STID). The Postal Service is proposing that mailers who enter Full-Service Periodicals mailings using a Full-Service ACS STID will not be required to receive or pay for manual address correction notices unless they are requested. Although mailers who enter Periodicals will be provided with address quality data, these mailpieces will not be subject to the Address Quality Census Measurement and Assessment Process.

Terms

To further clarify this document, several terms are defined below:

- *99 Percent Accurate Method:* Mailers who can demonstrate that their internal list management maintains address quality at 99 percent or greater accuracy for changes of address may be authorized to comply with the Move Update standard through the 99 Percent Accurate Method. The 99 Percent Accurate test is a computer-based process that performs Postal

Service ZIP + 4® coding and change-of-address processing utilizing the customer's file as input. The 99 Percent Accurate test is accomplished by submitting the mailer's address file(s) to the Postal Service for processing.

- *Commercial Mailings:* The Postal Service offers lower prices for business mailings, because mailers perform some of the work that would otherwise have to be done by the Postal Service (for example, sorting the mail by ZIP Code™ or transporting the mail to a destination postal facility). Everyone benefits from "work-sharing." Mailers make an investment in time and technology while paying less postage, and the Postal Service's costs are reduced, while mail is expedited through the system. Among other requirements, commercial mailings must comply with the Move Update standard as outlined in the DMM so that UAA mail is minimized.
- *eDoc Submitter:* The electronic documentation (eDoc) Submitter is determined using the Customer Registration Identifier (CRID) number that is used to upload the eDoc to the Postal Service for processing. The eDoc submitter most often is the Mail Preparer, but can also be the Mail Owner. All results of Address Quality Measurement will be displayed on the eDoc Submitter and Mail Owner scorecards; however, any additional postage assessments will be presented to the eDoc submitter.
- *Legal Restraint:* Mailers of First-Class Mail and First-Class Package Service pieces who assert they are restricted by law from incorporating Postal Service COA information onto their mailpieces without permission from addressees may request Postal Service approval to meet their Move Update standard using the Legal Restraint method. Such mailers must be

able to clearly demonstrate how the use of a primary Move Update method would violate the law. (See the *Guide to Move Update* at <http://beta.postalpro.usps.com/node/1116>). Pieces that meet the requirements for the Legal Restraint method will be excluded from the Mailer Scorecard and the Address Quality Census Measurement and Assessment Process, as long as the mailpieces use the appropriate CRID or Mailer Identifier (MID).

- *Mailer*: The term “mailer” within this document encompasses Mail Owners, Mail Preparers, and Mail Service Providers (MSPs).
- *Mailer Scorecard*: This is an electronic report that contains mail quality measurements and assessments on mailings over a calendar month for Move Update, Full-Service Intelligent Mail, eInduction[®], and Seamless Acceptance. The Scorecard is accessible through the Business Customer Gateway (BCG) and provides views for both Mail Owners and Mail Service Providers (MSPs).
- *Non-qualifying Mailings*: The below non-qualifying mailpieces will be excluded from the Address Quality Census Measurement and Assessment Process and the Mailer Scorecard:
 - Mailpieces which are undeliverable due to an address change which is Temporary, Foreign, Moved Left No Address (MLNA), and Box Closed No Order (BCNO).
 - Mailpieces that are priced as single-piece.
 - Mailpieces that qualify for the Legal Restraint method.
 - Mailpieces without the documentation submitted electronically.

- *Qualifying Mailings:* An eDoc submitter is eligible for the Address Quality Census Measurement and Assessment Process when at least one of its mailings qualifies for Full-Service in a calendar month. Thereafter, when mailers enter eligible mailings of letter- and flat-size pieces of FCM and Standard Mail that meet the requirements for Basic or Full-Service mailings in a subsequent calendar month, the Address Quality Census Measurement and Assessment Process will be used, if the postage statement and supporting documentation are submitted electronically and a unique Intelligent Mail barcode (IMb[®]) is included in the eDoc.

Summary of Industry Comments and USPS Responses

The Postal Service appreciates all of the comments that were provided by the mailing industry. The valuable feedback was used to establish revised proposed requirements for the Address Quality Census Measurement and Assessment Process. Even though this is a proposed rule, we have chosen to include these insightful comments and replies, which can be used as FAQs to further clarify this document. The mailers' comments and corresponding USPS responses are outlined as follows:

Mailer Comment

If mailings are not in compliance with Move Update standards, why is it necessary to levy an additional charge or assessment?

USPS Response

As outlined in the DMM, commercial mailings must comply with the Move Update standard. Regardless of whether the Postal Service measures Move Update compliance through Mail Evaluation Readability Lookup INstrument

(MERLIN®) verification or using the Address Quality Census Measurement and Assessment Process, failure to meet the Move Update standard may result in an additional postage assessment.

Mailer Comment

How does this proposed rule support the UAA objective?

USPS Response

The ability to observe UAA performance at the individual mailer or service provider level will benefit both the Postal Service and the mailing industry. This data will provide more information regarding the actual mailing performance. This data will provide mailers with viable information to assist with reducing UAA, improve their return on investment, and better understand anomalies that impact Move Update performance.

Mailer Comment

Since the Move Update verification process was implemented in 2008, has data shown a decrease in UAA mail volume?

USPS Response

Yes; since the implementation of Move Update in 2008, UAA volumes have declined:

- In 2008, there was an 11.2 percent decline in UAA volume. This reduction was nearly twice the overall decline in FCM volume of 6.4 percent.
- From 2008 through 2015, there was a decline of 37 percent in UAA volume, which resulted in a reduction for all mail classes of 2.8 billion UAA pieces.

- From 2008 through 2015, there was an overall decline of 43.8 percent in FCM forwarding volume from 1.6 billion pieces in 2008 to 0.9 billion pieces in 2015.

Mailer Comment

Currently, when mailing Periodicals, there is a requirement to pay for manual address corrections. Will this payment cease in conjunction with this proposal?

USPS Response

In this proposed rule, with regard to Full-Service Periodicals mailings, there will no longer be a requirement to receive or pay for manual address corrections, except when manual address correction notifications are specifically requested by the mailer or the mailpiece does not contain a Full-Service ACS STID.

Mailer Comment

For each STID, will the data for both COA errors and the total number of pieces be all-inclusive or be limited by services such as ACS?

USPS Response

The data will be inclusive of both ACS- and non-ACS-requested STIDs.

Mailer Comment

When mailers enter Periodicals, will there still be a requirement for address correction service?

USPS Response

Yes, mailers who enter Periodicals will still be required to meet the requirement for address correction service.

Mailer Comment

Does the Address Quality Census Measurement and Assessment Process apply to mailpieces that meet the criteria for single-piece prices, Legal Restraint, and the 99 Percent Accurate Method?

USPS Response

The Address Quality Census Measurement and Assessment Process will exclude mailpieces that are paid at the single-piece price and mailpieces that meet the requirements for the Legal Restraint alternative method, which will be based upon the CRID or MID of the mail owner who is approved for the exemption. In contrast, mailpieces entered under the 99 Percent Accurate Method were factored into the newly proposed Address Quality Census Measurement and Assessment Process error threshold, and these mailpieces will not be excluded from the new measurement process.

In addition to this proposed rule, the Postal Service intends to publish an additional proposed rule to provide further guidance on the Move Update standard. This document will propose that mailers who are authorized for the Legal Restraint Move Update alternative method be required to use an exclusive MID or multiple exclusive MIDs on their mailpieces for Legal Restraint mailings. This would allow the Postal Service to properly identify these types of mailpieces and, when appropriate, exclude the mailpieces from the Address Quality Census Measurement and Assessment Process. The mailer will not be able to use these MIDs for other types of mailpieces that do not fall under the Legal Restraint authorization. The Postal Service is working with the Legal Restraint mailers to identify these MIDs. All current Legal Restraint authorized mailers would be allowed a one-year transition period to begin use of the exclusive MIDs. The one-

year transition period would be calculated starting from the date of their next annual Legal Restraint reauthorization.

Mailer Comment

If a mailer temporarily falls below the qualifying 75 percent Full-Service threshold for 30 days, what are the consequences?

USPS Response

There will no longer be a qualifying Full-Service percentage; the mailer need only submit one qualifying Full-Service mailing.

Mailer Comment

If a mailer does not enter mailings meeting the 75 percent Full-Service threshold, how will address quality be measured?

USPS Response

To be measured under the Address Quality Census Measurement and Assessment Process, there will no longer be a 75 percent Full-Service threshold. For mailers whose CRID does not present any Full-Service mailings, the address quality will be measured through the traditional MERLIN verification process, and the mailer must declare that an approved Postal Service Move Update method was used. An eDoc submitter will be eligible for the Address Quality Census Measurement and Assessment Process when at least one of its mailings qualifies for Full-Service in a calendar month. Thereafter, all mailings of letter- and flat-size pieces of FCM and Standard Mail that meet the requirements for Basic or Full-Service mailings entered in a subsequent calendar month will use the Address Quality Census Measurement and Assessment Process, if the postage

statements and supporting documentation are submitted electronically and unique IMbs are included in the eDoc.

Mailer Comment

When MSPs prepare a combined mailing (multiple Mail Owners), will a fee be assessed if the COA percentage measured for one of the Mail Owners exceeds the error threshold, but the COA percentage measured for the submitter of the eDoc does not exceed the threshold?

USPS Response

If a combined mailing (with multiple Mail Owners) is entered and the COA percentage does not exceed the Address Quality Census Measurement and Assessment Process error threshold, no fee would be assessed, because the fee is assessed at the eDoc submitter level.

Mailer Comment

When there is a combined mailing (with multiple Mail Owners), what is the process for ensuring that the correct mailer is assessed for exceeding the error threshold?

USPS Response

For a combined mailing, the Mailer Scorecard and the Mail Entry Assessment Report allow the Postal Service to provide detailed piece-level information and identify Mail Owners who exceed the established Address Quality Census Measurement and Assessment Process error threshold. While the eDoc submitter will pay the assessment to the Postal Service, there will be adequate information for the eDoc submitter to seek reimbursement from the applicable Mail Owner.

Mailer Comment

Can the Postal Service clearly outline the appeal process for postage assessments?

USPS Response

To appeal postage assessments, the dispute process is available on PostalPro™ at <http://beta.postalpro.usps.com/node/847> and steps are outlined within the *Guide to Postage Assessment* as follows:

- Mailings are evaluated based on an entire calendar month.
- If thresholds are exceeded, an invoice is generated and a Mail Entry Assessment Notification is sent on the 10th of the month (for the previous month's mailing activity).
- Notifications for all assessments will be sent to the eDoc submitter.
- An assessment notification is sent by email to the individual designated by the mailer for each CRID in BCG as the Verification Assessment Evaluator (VAE). Mailers can also review assessment information through the Mailer Scorecard.
- VAE accesses BCG and pays invoice.
- If a VAE is not in agreement with the charges, the VAE may dispute charges by requesting a review and providing supporting documentation within 10 days of assessment notification.
- Business Mail Entry (BME) reviews the documentation and contacts the mailer with results.

Mailer Comment

Will there be changes to the National Change of Address Linkage System (NCOA^{Link®})?

USPS Response

Currently, there are no changes to the database for NCOA^{Link} which would affect a mailer's ability to use the product or comply with Move Update requirements. If such changes are anticipated, the Postal Service is always willing to work with mailers to mitigate impacts.

Mailer Comment

Is it the intent of the Postal Service to make ACS the default source for Move Update changes and eliminate the other methods (NCOA^{Link} Mail Processing Equipment (MPE), Ancillary Service Endorsement (ASE), and NCOA^{Link})?

USPS Response

The Postal Service has no intention of making ACS the default source for Move Update or eliminating any of the other USPS-approved Move Update methods.

Mailer Comment

Will the traditional ACS be free and postage statements be modified to reflect these new changes?

USPS Response

In general, the traditional ACS fees will not be waived. The postage statements will be modified to incorporate all new changes.

Mailer Comment

What mechanisms are in place to correct erroneous information in the Mailer Scorecard?

USPS Response

The Postal Service is working internally to validate the Mailer Scorecard. All known systemic issues are currently being addressed. In addition, a task team consisting of both Postal Service and Mailing Industry representatives is validating the reliability and stability of the Mailer Scorecard and all corresponding reports. After the assessment period begins, if new issues are identified, the Postal Service will remove all applicable charges resulting from USPS systemic issues.

Mailer Comment

Under the new measurement process, what is the actual assessment fee for mailpieces that exceed the established error threshold?

USPS Response

The address quality assessment fee has not been determined and is subject to USPS management and regulatory approval.

Mailer Comment

Will the address quality assessment fee vary based on the disposition activity (forwarded, returned, or destroyed) of the mailpieces in question?

USPS Response

No; the address quality assessment fee will be the same for all mailpieces that exceed the established Address Quality Census Measurement and Assessment Process error threshold, regardless of whether they are forwarded, returned, or destroyed.

Mailer Comment

What happens if mail is mistakenly run through MERLIN? Is there a risk of double jeopardy?

USPS Response

If mail is mistakenly processed on MERLIN, there will be no risk of double jeopardy. Once mailers qualify for the Address Quality Census Measurement and Assessment Process, they will be removed from the MERLIN Move Update verification process. Prior to the implementation of the Address Quality Census Measurement and Assessment Process, all Postal Service acceptance employees will be trained. However, if a mailing is mistakenly processed on MERLIN and additional postage under that method is assessed, the associated assessment fee will be removed.

Mailer Comment

Will MERLIN be used for evaluating mail in the future?

USPS Response

MERLIN will still be used to measure Move Update compliance for those mailers who enter mailings that do not meet the requirements to be evaluated under the newly proposed Address Quality Census Measurement and Assessment Process.

Mailer Comment

Will the error threshold for the newly proposed process be applied at the Mail Owner or CRID level?

USPS Response

The error threshold for the new proposed Address Quality Census Measurement and Assessment Process will apply to the eDoc submitter at the CRID level.

Mailer Comment

Regarding assessments, it is recommended that the Postal Service focus on the individual Mail Owner, which will allow the MSP to be free from the onerous task of determining who should pay an assessment fee.

USPS Response

The Postal Service is providing specific data to assist the MSP with identifying the Mail Owners who are exceeding the established Address Quality Census Measurement and Assessment Process error threshold and contributing to the assessment fee.

Mailer Comment

When the Mail Preparer performs the Move Update functions, will the Postal Service negotiate the credit between the Mail Owner and MSP?

USPS Response

All assessments will be remitted to the eDoc submitter for payment; negotiations between the Mail Owner and MSP will not be managed by the Postal Service.

Mailer Comment

How will the Postal Service ensure that the data from the MicroStrategy Report within the Mailer Scorecard is reliable?

USPS Response

An internal Postal Service team as well as a task team consisting of both Postal Service and Mail Industry representatives will validate the data integrity of the MicroStrategy Reports and Mailer Scorecard. These reports outline detailed mailpiece data for errors that are captured.

Mailer Comment

Will there still be two different databases relative to address changes, i.e. Postal Automated Redirection System (PARS) vs. NCOA^{Link?}

USPS Response

Yes, two separate databases will continue to exist as follows:

- PARS: This database has 18 months of COA data for processing UAA mail.
- NCOA^{Link:} This database holds up to 48 months of COA data for updating mailing lists.

Mailer Comment

Does the United States Postal Inspection Service (USPIS) agree with the newly proposed measurement process, and how will investigations be determined?

USPS Response

Yes, USPIS agrees with the decision to utilize the newly proposed Address Quality Census Measurement and Assessment Process, which allows the Postal Service to leverage technology. Also, USPIS will continue to collaborate with the Postal Service on all matters, including the determination of whether investigations are warranted.

Background

The Postal Service requires mailers to update address-related changes through the Move Update requirements process. Currently, Move Update compliance is measured at the mailing level using MERLIN as follows:

- At the point of acceptance, mailings are randomly selected for address quality assessment, and samples of the selected mailings are processed through MERLIN.
- *PostalOne!*[®] sends an electronic version of the mailer's Postage Statement Message (PSM) to the MERLIN Maintenance and Operations Database (MMOD).
- MMOD routes the PSM to the appropriate site and MERLIN machine.
- Postal Service personnel generate a verification report, and the report produces a set of results that are routed back to the MMOD system.
- MERLIN generates a report that provides the details on mail quality.
- MMOD sends an Address Quality Validation System (AQVS) message-stream of addresses, names, and ZIP Codes to the National Customer Support Center (NCSC) for Move Update processing.
- MERLIN captures the address information from the mailpiece and electronically sends each record to the NCSC to see if there is a COA on file.
- The piece is identified as an error if the mailer did not use the updated address indicated in the COA on file, and the COA "filing date" is between 95 days and 18 months of the postage statement finalization date.

- MMOD sends mail verification results (whether the mailer passed) to the *PostalOne!* System.
- NCSC processes the AQVS data stream and sends the results to *PostalOne!*, which addresses the Move Update failures.
- *PostalOne!* uses the mail verification and NCSC Move Update results to formulate the final charges.

In 2013, the Postal Service introduced the concept of measuring and assessing mail quality for mailings over a calendar month for Full-Service Intelligent Mail, eInduction, and Seamless Acceptance. Since August 2014, Postal Service technology has further evolved so that, when mailers use an IMb and submit their postage statements and supporting documentation electronically, data collection scans from mail processing equipment (MPE) can be used to evaluate the address and move-related quality of mail being processed. Accordingly, the Postal Service is using this technology as an alternative to measure and evaluate the quality of mailings.

Future Process

The Postal Service is proposing to add a Move Update compliance verification process named the Address Quality Census Measurement and Assessment Process for letter- and flat-size pieces of FCM and Standard Mail that meet the requirements for Basic or Full-Service mailings.

Mailers of Periodicals will be provided with address quality data; however, Periodicals will not fall under the Address Quality Census Measurement and Assessment Process. This newly proposed process will result in several benefits

including enhanced mailing visibility and improved mail quality metrics over all mailings within a calendar month, rather than sampled mailings.

This process is a much more robust method to assess Move Update compliance, which would be measured across all mailings within a calendar month according to the following process:

- Mailpieces are scanned on MPE.
- Data from mailpieces identified as UAA is captured and evaluated to determine if COA information is on file.
- The address information for mailpieces matching an active COA is captured from the piece and sent electronically to NCSC.
- NCSC forwards COA information to the Address Quality Census Measurement and Assessment Process for evaluation.
- Move Update validations are performed by comparing the MID + Serial Number of the IMb from the COA-related mailpiece data. If the COA is between 95 days and 18 months old, and the address has not been updated, then a COA error for the associated IMb is logged and allocated under the CRID of the eDoc submitter.
- The proposed Address Quality Census Measurement and Assessment Process error threshold that is under consideration is 0.5 percent. This threshold, which is subject to review at the PRC, would be applied to all pieces submitted by an eDoc submitter in a calendar month.
- The Postal Service would assess the relevant eDoc submitter CRID for each non-compliant mailpiece beyond the threshold.

- The data would be collected and reported on the Mailer Scorecard under the eDoc submitter CRID.

Address Quality Assessment Fee

The address quality assessment fee will be applied to mailpieces in qualifying mailings that contain COA errors in excess of the established Address Quality Census Measurement and Assessment Process error threshold. This address quality assessment fee is currently pending management and regulatory approval.

Once the Address Quality Census Measurement and Assessment Process is in place, qualifying mailings will no longer be required to document Move Update compliance methods on the postage statement, *mail.dat*, or *mail.xml*. However, documents demonstrating the method used should be available upon request by the Postal Service, and mailers must continue to use a Move Update method in order to remain below the Address Quality Census Measurement and Assessment Process error threshold, expedite the delivery of mail by avoiding mail forwarding, and increase the security and privacy of sensitive customer information.

Mailer Scorecard

The Mailer Scorecard is currently available to mailers. This report provides data that allow mailers to gauge address quality on their mailpieces. After the final rule is implemented and the PRC review is completed, mailings with errors that exceed the newly proposed Address Quality Census Measurement and Assessment Process error threshold will incur an address quality assessment fee.

Criteria

The Address Quality Census Measurement and Assessment Process will apply to mailings when mailers:

- Submit any mailpieces during a calendar month as Full-Service.
- Use a unique Basic or Full-Service IMb on mailings of letter- and flat-size pieces for FCM and Standard Mail.
- Use eDoc to submit mailing information.

Specifications

After the test period commences, address quality will be measured as follows:

- Analysis will be performed on all pieces in the mailing, rather than on a sample.
- The assessment will be determined by the number of COA errors, in a calendar month, divided by the total number of pieces mailed that were subject to analysis. The resulting percentage will be compared to the established Address Quality Census Measurement and Assessment Process error threshold.
- There are a number of exclusions to the measurement and assessment process. Generally, mailpieces with addresses that have the following COA characteristics will not be included in the assessment: Temporary moves, MLNA, BCNO, and COA data for foreign addresses.
- Mailpieces authorized for the Legal Restraint alternate Move Update method (See *Guide to Move Update*) will be excluded at the CRID

level of the Mail Owner, during a short transition period. After the transition period, an established MID will be identified for use on mailpieces that fall under the Legal Restraint method.

Mailpiece Results

Once qualifying mailings are processed on MPE, the data from mailpieces are reconciled with eDoc. These results are available on the BCG and displayed on the Electronic Verification tab of the Mailer Scorecard, which can be easily accessed at <https://gateway.usps.com/eAdmin/view/signin>. Mailers are able to review the Mailer Scorecard and corresponding detailed reports to identify any anomalies or issues.

To resolve Mailer Scorecard irregularities, mailers should contact the *PostalOne!*® Help Desk at 800-522-9085 or their local Business Mail Entry Unit (BMEU).

Address Change Service and Correction Notifications

In order to further encourage the adoption of Full-Service, the Postal Service is proposing to extend free Full-Service ACS to qualifying Basic automation and non-automation mailpieces for mailers who enter at least 95 percent of their mail as Full-Service in a calendar month. The Basic mailpieces must be prepared as follows:

- Bear a unique IMb printed on the mailpiece.
- Include a Full-Service ACS or OneCode ACS® STID in the IMb.
- Include the unique IMb in eDoc.
- Provide accurate mail owner identification in eDoc.

Address change information will be provided to the Mail Owner identified in eDoc. Address change information which does not qualify for free ACS will continue to be provided through SingleSource at the appropriate charge.

As part of this proposed rule, mailers who enter mailings of Full-Service Periodicals would no longer be required to receive and pay for manual address corrections when a Full-Service ACS STID is used. However, these mailers may elect to receive and pay for manual address correction notifications by including the appropriate STID within the IMb.

List of Subjects in 39 CFR Part 111

Administrative practice and procedure, Postal Service.

Although exempt from the notice and comment requirements of the Administrative Procedure Act (5 U.S.C. 553(b), (c)) regarding proposed rulemaking by 39 U.S.C. 410(a), the Postal Service invites public comments on the following proposed revisions to *Mailing Standards of the United States Postal Service*, Domestic Mail Manual (DMM), incorporated by reference in the Code of Federal Regulations. See 39 CFR 111.1. Accordingly, 39 CFR part 111 is proposed to be amended as follows:

PART 111 — [AMENDED]

1. The authority citation for 39 CFR part 111 continues to read as follows:

Authority: 5 U.S.C. 552(a); 13 U.S.C. 301-307; 18 U.S.C. 1692-1737; 39 U.S.C. 101, 401, 403, 404, 414, 416, 3001-3011, 3201-3219, 3403-3406, 3621, 3622, 3626, 3632, 3633, and 5001.

2. Revise the following sections of *Mailing Standards of the United States Postal Service*, Domestic Mail Manual (DMM), as follows:

***Mailing Standards of the United States Postal Service, Domestic Mail
Manual (DMM)***

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507 Mailer Services

1.0 Treatment of Mail

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1.5 Treatment for Ancillary Services by Class of Mail

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1.5.2 Periodicals

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[Revise 507.1.5.2c by changing the last word of the sentence to “received” as follows:]

- c. Address correction service is mandatory for all Periodicals publications, and the address correction service fee must be paid for each notice received.

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4.0 Address Correction Services

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4.2 Address Change Service (ACS)

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4.2.2 Service Options

[Revise 507.4.2.2 by modifying the introductory sentence and adding a new item “d” as follows:]

ACS offers four levels of service, as follows:

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- d. A Full-Service option available to mailings of First-Class Mail automation cards, letters, and flats; Standard Mail automation letters and flats; Standard Mail Carrier Route, High Density, and Saturation letters; Periodicals Outside County barcoded or Carrier Route letters and flats; Periodicals In-County automation or Carrier Route letters and flats; and Bound Printed Matter Presorted, non-DDU barcoded flats. Mailers who present at least 95 percent of their eligible First-Class Mail and Standard Mail volume as Full-Service in a calendar month will receive electronic address correction notices for their qualifying mailpieces of Basic automation and non-automation First-Class Mail and Standard Mail at the address correction fee for pieces which are eligible under the Full-Service Intelligent Mail option in 705.23.0, for the next calendar month. The Basic First-Class Mail and Standard Mail mailpieces must:

1. Bear a unique IMb printed on the mailpiece.
2. Include a Full-Service or OneCode ACS STID in the IMb.
3. Include the unique IMb in eDoc.
4. Provide accurate mail owner identification in eDoc.

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4.2.8 Address Correction Service Fee

[Revise 507.4.2.8 by deleting the current language and adding new language as follows:]

ACS fees will be assessed as follows:

- a. The applicable fee for address correction is charged for each separate notification of address correction or the reason for nondelivery provided, unless an exception applies.
- b. Once the ACS fee charges have been invoiced, any unpaid fees for the prior invoice cycle (month) will be assessed an annual administrative fee of 10 percent for the overdue amount.
- c. Mailers who present at least 95 percent of their eligible First-Class Mail and Standard Mail volume as Full-Service in a calendar month will receive electronic address correction notices for their qualifying Basic automation and non-automation First-Class Mail and Standard Mail mailpieces, as specified in 4.2.2. The electronic address correction notices are charged at the applicable Full-Service address correction fee for the next calendar month.

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600 Basic Mailing Standards for All Mailing Services

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602 Addressing

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5.0 Move Update Standards

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5.3 Basis for Move Update Assessment Charges

[Revise 602.5.3 by removing the current language and adding new 5.3.1. and 5.3.2 as follows:]

5.3.1 Basic Move Update Assessment Charge

Mailings that do not fall under 5.3.2 are subject to a Move Update assessment charge, if more than 30 percent of addresses with a change-of-address (COA) are not updated, based on the error percent found in Postal Service sampling at acceptance during Performance-Based Verification. Specifically, mailings for which the sample contains greater than 30 percent failed COAs out of the total COAs in the sample are subject to additional postage charges as follows:

- a. The percentage of the mailing paying the charge is based on the percentage of failed pieces above 30 percent.
- b. Each of the assessed pieces is subject to the established per piece charge.
- c. As an example, if 40 percent of COAs in the sample are not updated, then the charge is applied to 10 percent ($= 40\% - 30\%$) of the total mailing.
- d. Mailings for which the sample has five or fewer pieces that were not updated for a COA are not subject to the assessment, regardless of the failure percentage.

5.3.2 Address Quality Census Measurement and Assessment Charge

Mailers who have submitted any Full-Service volume in a calendar month will be subject to the Address Quality Census Measurement and Assessment Process beginning in the next calendar month. Mailings will be subject to the Address Quality Census Measurement Assessment charge (address quality assessment fee) if submitted via eDoc with unique Basic or Full-Service IMbs on letter- and flat-size pieces of First-Class Mail and Standard Mail. The address quality assessment fee will be assessed if:

- a. The percent of all qualifying mail submitted in a calendar month that have a COA error is greater than the Address Quality Census Measurement and Assessment Process error threshold, as determined by an analysis of the data captured by mail processing equipment. A COA error occurs when the address on the mailpiece has not been updated within 95 days of the COA move effective date or the COA record creation date, whichever is later.
- b. Each mailpiece with addresses containing COA errors in excess of the Address Quality Census Measurement and Assessment Process error threshold will pay the address quality assessment fee.

5.4 Mailer Certification

[Revise 602.5.4 by modifying introductory paragraph and adding new items “a” and “b” as follows:]

The mailer's signature on the postage statement certifies that the Move Update standard has been met for each address in the corresponding mailing presented to the USPS as follows:

- a. For mailings that fall under 5.3.1, the mailer's signature on the postage statement certifies that the Move Update standard has been met for each address in the corresponding mailing presented to the Postal Service.
- b. For mailings that fall under 5.3.2, the Move Update compliance method does not need to be declared on the postage statement or within the mail.dat or mail.xml file. However, documentation demonstrating

compliance must be retained and provided upon request of the Postal Service.

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700 Special Standards

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705 Advanced Preparation and Special Postage Payment Systems

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23.0 Full-Service Automation Option

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23.5 Additional Standards

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23.5.2 Address Correction Notices

[Revise 705.23.5.2a as follows:]

- a. Address correction notices will be provided at the applicable Full-Service address correction fee for letters and flats eligible for the Full-Service option, except for Standard Mail ECR flats, BPM flats dropshipped to DDUs, or BPM carrier route flats. Mailers who present at least 95 percent of their eligible First-Class Mail and Standard Mail volume as Full-Service in a calendar month will receive electronic address correction notices for their qualifying Basic automation and non-automation First-Class Mail and Standard Mail pieces charged at the applicable Full-Service address correction fee for the next calendar month. The Basic automation and non-automation First-Class Mail and Standard Mail mailpieces must:

1. Bear a unique IMb printed on the mailpiece.
2. Include a Full-Service or OneCode ACS STID in the IMb.
3. Include the unique IMb in eDoc.
4. Provide accurate mail owner identification in eDoc.

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We will publish an appropriate amendment to 39 CFR part 111 to reflect these changes, if our proposal is adopted.

Stanley F. Mires,

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